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AN INTERTEC PUBLICATION

MONDAY, MAY 2, 1988

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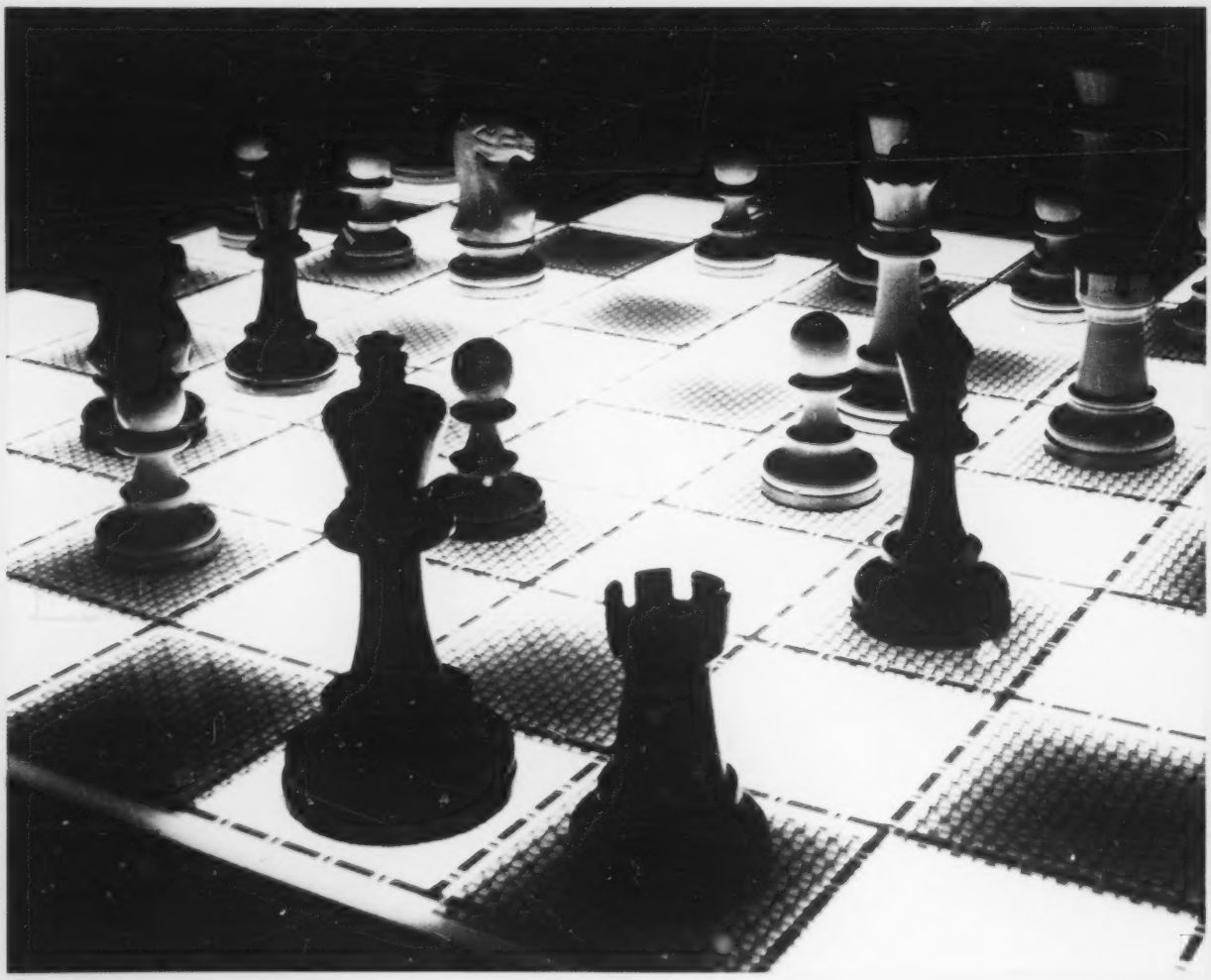

MAKING THE INTELLIGENT MOVE

Success for service providers in the 1990s depends on the intelligent network

WILL AT&T EXIT THE COMPUTER GAME?

Cassoni's departure fuels new speculation

FUJITSU, U S WEST TAKE ISDN COMMERCIAL

RHC to distribute Fujitsu ISDN terminals

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MONDAY, MAY 2, 1988 Volume 214, No. 18

Telephony

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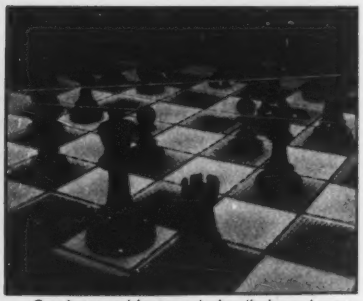

Service providers must plan their next move carefully if they are to make the most of the intelligent network of the 1990s. Cover photo by Peter A. Simon, The Stock Market

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spite a rise in after-tax earnings.

Cincinnati Bell saw net income jump 24.5% to $20.2 million or 64c a share, on revenues of $172.4 million, up 20%. "All segments of our business had exceptional results in the first quarter, said D.H. Hibbard, chairman and chief executive officer. Cincinnati Bell Telephone reported strong access line growth, and increased revenues from nonregulated business sales activities. The telephone company unit, Cincinnati Bell Long Distance and Anixter-Cincinnati, the supply operation, benefitted from growth in the service region, said Hibbard. Cincinnati Bell Information Systems and Cincinnati Bell Enterprises also posted profits.

Contel Corp. reported a 7% increase in income for the first quarter of 1988 to $58.9 million, based on revenues of $741 million, an 8% increase. Earnings per share were 75c, up 6%. The Telephone Operations Sector led the way, reporting record first quarter revenues and earnings, said Contel President and Chief Executive Officer Don Weber. The local telco unit earned $74 million on revenues of $529 million. The Federal Systems Sector posted a modest profit of $255,000, while Contel Information Sector recorded a 21% increase in revenues to $140 million, but lost $3.9 million, due in part to the soft post-crash market for financial trading systems from Contel IPC. Contel ASC, the satellite unit, posted a small profit, according to Contel.

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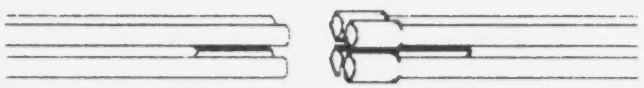

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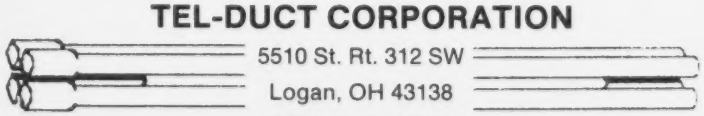

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NewVector stock nets $89 million

U S West will realize a one-time after-tax gain of approximately $89 million during the second quarter from the sale of 9.66 million shares of Class A common stock of U S West NewVector Group Inc.

U S West sold 8.4 million shares of NewVector stock on April 6. The underwriters handling the sale subsequently exercised their option to buy an additional 1.26 million shares for public sale, said U S West.

U S West retains 81% ownership of NewVector, which is a diversified cellular telephone and mobile communications company engaged primarily in operating cellular telephone systems.

Corrections

In an April 25 story on GTE's reorganization, *Telephony* incorrectly listed how GTE's telephone companies would be divided among four new regional units. That determination has not yet been made by the company.

A typographical error in the table accompanying *Telephony's* April 11 cover story on the customer premises equipment market implied that Inter-Tel Inc. is a subsidiary of another company. Inter-Tel, based in Chandler, Ariz., acquired Interconnect Communications Corp. in 1987 and is an independent company.

In *Telephony's* April 4 profile of BellSouth Corp., Dean L. Wilde was incorrectly identified. Mr. Wilde is vice president of Strategic Planning Associates Inc.